



## Legislative Bulletin.....May 10, 2001

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H.R. 1646—To authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes.

### **H.R. 1646— To authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes (Hyde)**

**Order of Business:** The bill is scheduled to be considered on Thursday, May 10, under a structured rule making in order certain amendments.

### **Summary of Major Provisions :**

**U.N. Arrears** – The bill would modify the conditions in current law (the U.N. Reform Act of 1999) under which arrears to the U.N. are released. Specifically, the bill revises the statutory cap on the percentage of the UN peacekeeping budget paid by the U.S. from the target of 25% to 28.15% for the next two years (previously the U.S. paid 32%). This provision effectively releases \$582 million in previously appropriated funds to the U.N. A second provision modifies current law to release a third arrearage payment of \$244 million as U.N. affiliated agencies make budget reforms rather than withholding funds until reforms are completed.

### **Authorizations –**

	<u>FY 2002</u>
State Dep't Operating Budget	\$4.7 billion
Int'l Commissions Responsible for Boundary, Water, and Resource Issues Along the U.S. Border	\$61.2 million
Education and Cultural Exchange Programs	\$242 million
<i>South Pacific Exchanges</i>	\$750,000
<i>East Timorese Scholarships</i>	\$500,000
<i>Nat. Endowment for Democracy</i>	\$36 million
<i>North-South Center</i>	\$4 million
<i>East – West Center</i>	\$13.5 million
Assessed Contributions to International Organizations	\$944.1 million
<i>Rejoin UNESCO</i>	\$65.3 million
Contributions for Int'l Peacekeeping	\$844.1 million
Grants to the Asia Foundation	\$15 million
Voluntary Contributions to Int'l Organizations	\$306 million
<i>UNICEF</i>	\$120 million
Migration and Refugee Assistance	\$817 million
Int'l Broadcasting Operations	\$584 million

**Mexico City Policy** – Language is included which overturns President Bush’s “Mexico City” Executive Order, which bars taxpayer funding for organizations that lobby to overturn or evade a foreign country’s laws restricting abortion

**Visa Fees** – Extends the State Dept’s authority to collect and retain machine-readable visa fees through Fiscal Years 2003 (collects about \$400 million a year)

**Jerusalem** – Statement that it is the policy of the U.S. recognizing Jerusalem as the Capital of Israel and relocating the U.S. embassy to Jerusalem

**Sudan** – Requires the establishment of a special envoy for Sudan issues within the State Dep’t

**Minority-Only Recruitment and Employment** – The bill includes several provisions designed to increase the number of minorities employed at the State Dep’t, including setting aside specific funds for minority-only recruitment, the creation of a database related to efforts to recruit minorities, and production of a report on minority recruitment and promotion.

**Creation by the Secretary of State of Non-Profits to Promote Cultural Programming** – The bill establishes a new authorization for the Secretary of State to establish non-profit entities to promote cultural activities. The Secretary may solicit funds for such entities, appoint Members of their board, and make recommendations as to the programs to be carried out by the entity. The bill authorizes \$500,000 over 2 years for administrative costs.

**U.S. Commission on Religious Freedom** – The bill repeals the current sunset of the Commission

**Kyoto Global Warming Treaty** – Sense of Congress that the U.S. *should* continue negotiations and complete the rules and guidelines for the Kyoto global warming treaty in a manner than is consistent with the interest of the U.S. and ensures the environmental integrity of the protocol.

**Taiwan** – The bill designates Taiwan as a major non-NATO ally for the purposes of transferring defense articles, requires annual consultation with Taiwan regarding potential transfer of defense articles, and authorizes the transfer of four “Kidd” class destroyers.

**Nonproliferation** – The bill authorizes the training of foreign governmental and military personnel related to nonproliferation activities and requires submission of a 5-year plan on curtailing proliferation.

**Munitions Licensing Process**—The bill contains several provisions, including increased staffing and modernization of databases to strengthen the munitions licensing process.

**Exports** – The bill increases existing civil penalties and creates new criminal penalties for those who fail to submit accurate information to the Department of Commerce and mandates that all exports be filed through the automated export system.

**Potential Concerns**: Some Members may be concerned about the following items (details about each item above):

- 1) Reversal of the Mexico City Policy
- 2) Reentry into UNESCO
- 3) Lowering standards established in 1999 for the payment of U.N. arrears (some Members dispute that we even owe arrears once a fair accounting is conducted)
- 4) The high levels of authorizations
- 5) The authorization of the Secretary of State to create and essentially administer non-profits
- 6) The focus on recruiting of individuals based on their minority status and the creation of a minority recruitment database

**Cost to Taxpayers:** The bill authorizes discretionary spending of \$8.251 billion next year, \$336 million or 4.2% more than what was actually appropriated last year.

The CBO estimates that the bill would cost a total of \$16.2 billion in discretionary spending, assuming appropriation of the authorized amounts, for Fiscal Years 2002 and 2003. Mandatory spending would increase by \$582 million in 2001 and \$244 in 2002 for payment of U.N. arrears. However, the bill would also result in receipts from asset sales (in 2002 and 2003) totaling an estimated \$100 million. Furthermore, increases in the amount of existing civil penalties and the creation of new criminal penalties related to export controls are likely to increase government receipts by less than \$500,000 a year through 2006.

**Does the Bill Create New Federal Programs or Rules?:** Yes, see above for more details.

**Constitutional Authority:** Committee Report 107-57 cites Article I, Section 8, Clause 18 (“necessary and proper”) as the constitutional authority for this bill.

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